



Illinois Commerce Commission

Supplier Diversity Report Form for Suppliers of Energy

Section 5-117 of the Public Utilities Act states that the Illinois Commerce Commission “shall require all gas, electric, and water companies with at least 100,000 customers under its authority, as well as suppliers of wind energy, solar energy, hydroelectricity, nuclear energy, and any other supplier of energy within this State, to submit an annual report by April 15, 2015 and every April 15 thereafter, in a searchable Adobe PDF format, on all procurement goals and actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises in the previous calendar year.”

Pursuant to Section 5-117, please complete the following form and submit it to the Illinois Commerce Commission in PDF format. This form can be found at the ICC’s website www.icc.illinois.gov/odca. Please submit this PDF form through the ICC’s website at www.icc.illinois.gov/efiling/pua5117/.

1. Name of Entity: **Direct Energy on behalf of Direct Energy Services, LLC dba Direct Energy, dba Direct Energy Business Services, and Direct Energy Business, LLC**

2. Business Address:

Street	12 Greenway Plaza, Suite 250 / 1001 Liberty Ave., Suite 1200
Street 2 (if applicable)	
City	Houston / Pittsburgh
State	Texas / Pennsylvania
Zip	77046 / 15222

3. Business Address in Illinois (if different):

Street	
Street 2 (if applicable)	
City	
Zip	

4. Person Responsible for Preparing this Report, including Title:

First and Last Name	Ryan Harwell
Title	Licensing & Reporting Manager
Phone	281-800-6157
Email Address	Ryan.harwell@directenergy.com

5. Type of Entity (check as many as apply):

☐ Distribution

☐ Generation:

☐ Nuclear ☐ Hydroelectric ☐ Solar ☐ Wind ☐ Other

☒ Alternative Supplier:

☒ Natural Gas ☒ Electricity

☐ Other - please describe:

6. Please identify the person at your entity who can be contacted by diverse suppliers regarding procurement opportunities:

First and Last Name	Christie Pillar
Title	Small Business Liaison Officer
Phone	281-800-6065
Email Address	Christie.pillar@directenergy.com

7. In calendar year 2020, did your entity meet the following revenue criteria?

☒ Yes ☐ No

- For an alternative retail, municipal or electrical cooperative electric supplier, sales or delivery of 500,000 or more kwh
- For an alternative gas supplier or natural gas cooperative, sales or delivery of 500,000 or more dekatherms
- For any other commercial energy supplier, sales or delivery of 500,000 or more kwh

8. In calendar year 2020, did your entity track spending with, contracting with, or procurement from women-owned businesses (WBEs), minority-owned businesses (MBEs), veteran-owned businesses (VBEs), businesses owned by persons with disabilities (DBEs) and/or small-business enterprises (SBEs)?

☒ Yes ☐ No

9. If you checked "no," describe any actions your entity plans to take in the coming year to track spending with, contracting with, or procurement from MBEs, WBEs, VBEs, DBEs and/or SBEs.

10. Please present your entity's total calendar year 2020 spending/total value of contracts with/total procurement from MBEs, WBEs, VBEs, DBEs, and/or SBEs:

(a) \$ 85,056,633.92

Percentage of total: 0.97%

(b) Illinois totals (if tracked)
\$ 9,036,729.28

Percentage of total: 90.45%

11. If your entity tracks spending by type of business, please complete the table below:

	Entity Totals	
Vendor Classification	Spending	Percentage of Total
MBEs	\$2,036,641.05	2.39%
WBEs	\$1,614,723.50	1.90%
VBEs	\$0.00	-
DBEs	\$0.00	-
SBEs	\$3,765,788.23	4.43%
SBDs	\$1,238,317.68	1.46%
WOSBs	\$2,437,605.97	2.87%
VOSBs	\$797,065.73	0.94%
SDVOSBs	\$114,777.97	0.13%
	Illinois Totals, if tracked	
Vendor Classification	Spending	Percentage of Total
MBEs	\$380,906.73	4.22%
WBEs	\$417,667.75	4.62%
VBEs	\$0.00	-
DBEs	\$0.00	-
SBEs	\$128,010.79	1.42%
SDBs	\$0.00	-
WOSBs	\$405,368.99	4.49%
VOSBs	\$16,653.44	0.18%
SDVOSBs	\$0.00	-

12. If you do not have Illinois-specific information, please state why:

13. Please state whether your entity plans to track its 2021 contracting with, or procurement from MBEs, WBEs, VBEs, DBEs and SBEs:

☒ Yes ☐ No

14. If you answered "yes" to Question 13, please describe your entity's tracking plan.

Direct Energy, its ultimate parent now NRG Energy, Inc. effective January 5th, 2021, is providing one consolidated Supplier Diversity Report given the multiple areas, in which the organization is currently conducting business and future anticipate business activities within the State of Illinois. For this reason, a consolidated report affords the best opportunity to provide the most complete and transparent representation of the Company's future business investments in the state.

Currently, we serve electric/natural gas residential and small commercial customers under Direct Energy Services, LLC. We serve electric commercial and industrial customers under Direct Energy Business, LLC and natural gas commercial and industrial customers under Direct Energy Business Marketing, LLC.

Direct Energy is committed to meeting and exceeding its current Supplier Diversity spend for the state of Illinois. The information provided within this Supplier Diversity report, which is accurately recorded and verifiable, the reported diversity

spend is solely based on the verifiable criteria and registrations of diverse businesses used for our commodity supplied contracts with U.S. Federal Government and the Small Business Administration (“SBA”). Given the stringent requirements Direct Energy maintains for our federal governmental contracts, we have the capability to validate the entirety of the verifiable diversity spend being reported due to our robust Accounts Payable system that can trace back to vendor/supplier submission, certified by the SBA, in the federal government system. That system is known as System Award Management (“SAM”), which is the system federal governmental agencies rely on for identifying businesses who want to do business with the U.S. Federal Government.

Through the SBA, our subcontracting plan goals are based on the diversity spend specific to Direct Energy Business, LLC, which is the legal entity that has the contractual obligation with the U.S. Federal Government and through which we provide commodity supply services under those federal contracts. At this time, Direct Energy does not have the capability to track Supplier Diversity spend outside of our federal contract obligations with the SBA. Therefore, while we are unable to report accurate and verifiable Supplier Diversity spend specific to Direct Energy Services, LLC, we will continue our efforts to identify diverse suppliers on behalf of Direct Energy Services, LLC who register with SAM.

The organization’s Small Business Liaison Officer will continue to do due diligence by identifying new opportunities and growth to further enhance supplier diversity. This includes consistently looking for vendors/suppliers that can provide high-value contributions while minimizing programmatic risk that could compromise cost and schedule. The primary responsibility for identifying potential diversity concerns will be with the Small Business Liaison Officer, who has established numerous avenues through matchmaking/outreach events.

15. Please state whether your entity has goals in 2021 for contracting with, or procurement from MBEs, WBEs, VBEs, DBEs and SBEs:

☒ Yes ☐ No

16. If you answered “yes” to Question 15, please describe your entity’s 2021 goals and any plan to increase those procurement goals next year.

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17. Please identify any areas of procurement or contracting in which your entity will actively seek greater or additional participation by MBEs, WBEs, VBEs, DBEs and SBEs.

The SBLO will continue to look for growth opportunities in developing vendor classification for VBEs, DBEs, and SDBs to further increased. Please see below some of the terms defined as referenced throughout the report.

DBE – Disadvantaged Business Enterprise is at least 51% owned by a socially and economically disadvantaged person.

SBE – Small Business Enterprise is a company level diversity certification usually issued by the local or state government. SBE requirements may relate to number of employees, length of time the company has been in business and net worth.

VBE – Veteran Business Enterprise is not less than 51% of which is owned by one or more veterans or in the case of any publicly owned business, not less than 51% of the stock of which is owned or more veterans.

MBE – Minority Business Enterprise is a business enterprise that is at least 51% of the stock of which is owned by one or more minority groups; and whose management and daily business operations are controlled by one or more individuals.

WBE – Woman Business Enterprise is at least 51% directly owned and controlled by one or more women who are U.S. citizens.

SBLO – Small Business Liaison Officer

18. Please describe any plan your entity has to encourage MBEs, WBEs, VBEs, DBEs and SBEs to submit bids or proposals in those areas.

To increase participation for Supplier Diversity, Direct Energy recognizes overcoming obstacles may be challenging due to cost, resource requirements and available time. The organization recognizes that identifying SBE, MBE, WOSB, and VOSBs for opportunities is a key step in assisting diversity growth and development. Direct Energy's program provides one-on-one guidance, counseling and advise to diverse suppliers on how to develop in the areas of government and commercial contracting and subcontracting.

Our SBLO offers assistance to diverse suppliers regarding their business development and growth. Should it be necessary, general guidance is offered to diverse suppliers regarding:

- **Online registration (SAM, PTAC)**
- **Business and vetting assessments**
- **Effective Marketing and Matchmaking**
- **Capability Statement Development**
- **Introduction to Events and Symposiums**

19. What, if any, impediments to obtaining bids or proposals from qualified MBEs, WBEs, VBEs, DBEs or SBEs has your entity identified?"

Since this is the third year in specifically measuring Supplier Diversity spend for the state of Illinois, the SBLO continues to look for opportunities in building relationships with MBEs, WBEs, VBEs, DBEs, and SBEs.

20. Please identify any steps that the Illinois Commerce Commission can undertake to assist you in identifying qualified MBEs, WBEs, VBEs, DBEs or SBEs.

Direct Energy continues to believe Supplier Diversity events hosted by Illinois Commerce Commission is a potential avenue that will enable suppliers to help meet increase diversity participation and goals.

21. Please identify any certifications of MBE, WBE, VBE, DBE or SBE status that your entity recognizes.

Houston Minority Supplier Development Council (HMSDC)

Women Business Enterprise Alliance (WBEA)
Small Business Administration (SBA)

22. Please identify any best practices your entity uses to encourage qualified MBEs, WBEs, VBEs, DBEs or SBEs to submit bids or proposals.

Direct Energy consistently look for Supplier Diverse companies that can provide high-value contributions while minimizing programmatic risks that could compromise cost and schedule. Wherever possible, the Procurement group intends to integrate such sources as a cost effectiveness factor. Direct Energy has chosen to take a proactive approach to actively seek out and engage small businesses in all small business categories. Primary responsibility for identifying potential small business concerns subcontracting sources will be with the SBLO. Participation in small business events, outreaches, matchmaking and SBLO networking will continue to establish numerous avenues within which to share and gain knowledge of vetted and qualified small businesses that further enhances Supplier Diversity.